

Good Afternoon Chairman Guzzone and Members of this Committee. . My name is _____ and I serve on the Maryland State Legislative Committee of NARFE, the National Active and Retired Federal Employees Association. NARFE supports legislation that promotes the general welfare of Federal annuitant senior citizens in Maryland with respect to their rights under tax laws and regulations as well as other state legislation to protect seniors. We represent approximately 300,000 Federal employees and annuitants living in Maryland. For the continuing benefit of our senior membership as well as all Maryland seniors, we support SB 901 - Property Tax – Elderly Individuals and Veterans Tax Credit – Amount and Duration -- introduced by Senator Hershey. Current law allows allow Maryland Counties and Baltimore City to adopt a property tax credit for Seniors and Veterans, subject to a cap of 20% of the tax, and a duration of no more than five years. To date, only eight counties have done this. SB 901 would remove these caps and allow the counties and Baltimore City to adopt more substantial property tax relief for Seniors and Veterans.

NARFE supports SB 901 as well as numerous other proposed bills this session offering tax relief to Seniors. Maryland has one of the highest costs of living and state income taxes in the nation. This discourages “aging in place” and encourages migration to senior friendly states. Many other states actively recruit seniors with tax incentives because they recognize the value of seniors as economic engines for job and revenue generation. Thus, nine states do not have any state income tax and 14 states exempt all or part of federal pensions from state and local taxes. My written testimony clearly demonstrates the cost to Maryland of senior migration - it is very large. The cost is due to loss of tax revenue, loss of economic growth, loss of federal grants, and loss of volunteer labor. It could actually cost Maryland a representative in the U.S. Congress. Seniors do not have children in school and seniors vote at a very high rate. The documentation provided by NARFE is quantitative and rigorous. It is compelling. It is *not* anecdotal and it should not be ignored! And it is clear that Maryland needs to do something about this problem and doing something is in everyone’s interest! Senate Bill 901 takes a modest step by allowing counties to grant robust property tax credits to Seniors, active and disabled Veterans and their surviving spouses. The final decision is left to the counties and the cost to the Maryland treasury is zero. By adopting this legislation, Senate Bill 901 brings about a very much needed sense of much *needed fair play* to the Maryland tax codes. NARFE is pleased to support this legislation, and we request a favorable report on SB 901. Thank You.